Scancell Holdings plc

Unaudited interim results for the six month period to 31st October 2011

Scancell Holdings plc ("Scancell" or the "Company" or the "Group"), the developer of therapeutic cancer and infectious disease vaccines based on its patented Immunobody® platform, is pleased to announce the interim results for the six month period ended 31st October 2011.

Highlights:

- Sub-division of share capital and Placing to raise £1.73 million;
- Development of new vaccine candidate for the treatment of lung cancer;
- Phase 1 clinical trial of SCIB1 proceeded to highest dose level following safety review;
- SCIB1 patent awarded; and
- Change of board structure.

Post period highlights:

- Receipt of second tranche payment of £2.85 million in November 2011 relating to the sale of a portfolio of antibodies to Arana Therapeutics.

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About Scancell

Scancell is developing novel therapeutic vaccines for the treatment of cancer and infectious diseases based on its groundbreaking ImmunoBody® technology platform. Scancell's first

cancer vaccine SCIB1 is being developed for the treatment of melanoma and is in Phase 1 clinical trials.

Treating cancer by vaccination allows small non-toxic doses of a vaccine to be administered to a patient, stimulating an immune response. Effective cancer vaccines need to target dendritic cells to stimulate both parts of the cellular immune system; the helper cell system where inflammation is stimulated at the tumour site; and the cytotoxic T-lymphocyte or CTL response where immune system cells are primed to recognise and kill specific cells.

A limitation of many cancer vaccines currently in development is that they cannot specifically target dendritic cells in vivo. Several groups have demonstrated successful vaccination by growing dendritic cells ex vivo, pulsing them with tumour antigens and re-infusing them. However, this procedure is patient specific, time consuming and expensive. Scancell has developed its breakthrough patent protected ImmunoBody® technology to overcome these limitations.

An ImmunoBody® is a human antibody or fusion protein engineered to express helper cell and CTL epitopes from tumour antigens over-expressed by cancer cells. Antibodies are ideal vectors for carrying T cell epitopes from tumour antigens as they have long half-lives and can effectively target dendritic cells via their Fc receptors, allowing efficient stimulation of both helper and CTL responses.

The Immunobody® technology can be adapted to provide the basis for treating any tumour type and may also be of potential utility in the development of vaccines against hepatitis, HIV and other chronic infectious diseases.

CHAIRMAN'S STATEMENT

In the six month period ended 31st October 2011, Scancell raised £1.58 million, net of expenses, by way of a placing of new shares. Steady progress has been made with Scancell's vaccine SCIB1 with further patients being recruited into the Phase I clinical trials and new centres being opened. Since the period end the Company has received £2.85 million (before any related tax or other costs are deducted) in respect of the second tranche payment from the sale of Scancell's antibody portfolio to Arana Therapeutics in 2006.

Financial

Profit and Loss Account

The Company made an overall operating loss for the six month period to 31st October 2011 of £971,675 (2010: loss of £835,540). The increase in direct costs reflects the additional patient recruitment in the period and the opening of additional trial centres.

Overall the loss for the six month period was £923,405 (2010: loss £802,170)

Balance Sheet

The cash at bank at 31st October 2011 was £1,915,276 (30th April 2011: £1,110,630). The increase in cash during the period has arisen as a result of the net proceeds from the issue of shares of £1.58 million more than offsetting the loss for the period.

Subsequent to the period end, cash at bank was further augmented by the receipt of £2.85 million (before any deductions for tax and other costs) in respect of a second tranche payment from Arana Therapeutics. This payment arose as a result of a clinical mile-stone being achieved following the sale of Scancell's antibody portfolio in 2006.

Subdivision of share capital and placing

On 25th July 2011 the shareholders of the Company approved resolutions for:

- The proposed subdivision of each Existing Ordinary Share of 1p into 10 new Ordinary Shares of 0.1p each; and
- A placing to raise £1.73 million, before costs, by means of the issue of 34,575,410 new Ordinary Shares at 5 pence per share to fund the working capital of the Company.

Following the approval of these resolutions the Company raised £1.58 million, net of costs

SCIB2

On 30th June 2011, Scancell announced that a treatment utilising a DNA vaccine based on its Immunobody® technology, in combination with Homspera®, an adjuvant developed by ImmuneRegen Biosciences Inc, has produced encouraging anti-tumour responses in animal models.

This vaccine, known as SCIB2, stimulates immune responses to the lung cancer antigen NY-ESO-1 and may also have potential utility in oesophageal, liver, gastric, prostate, ovarian and bladder cancers. Unlike classical adjuvants, Homspera® did not enhance the SCIB2 systemic immune response but did make it more effective at the tumour site. This successful application of Scancell's Immunobody® technology in conjunction with Homspera® provides further evidence that our Immunobody vaccine has the potential ground-breaking ability to augment the immune responses necessary to destroy cancer and could have profound implications for cancer vaccine therapy.

SCIB1 melanoma vaccine

Phase I Clinical Trial

The Phase I Clinical Trial commenced in June 2010 and is designed to evaluate the safety and tolerability of SCIB1 (Scancell's DNA Immunobody® vaccine being developed for the treatment of melanoma) in patients with late stage melanoma and also to gather data on the effects of SCIB1 on tumour growth and cellular immune response.

Whilst patient recruitment has been slower than originally anticipated good progress has been made and a second group of patients receiving the 2mg dose of SCIB1 in the Phase I clinical trial has been evaluated by the Cohort Review Committee. Following the review of the safety data from this mid-dose level group of three patients the Cohort Review Committee approved further escalation of the dose to 4mg and the planned recruitment of the final group of patients

Patent Awarded

In a further important step in the development and commercialisation of SCIB1, a composition of matter patent (European Patent number: 2193803) has been granted for SCIB1. This patent will protect the unique composition of the vaccine until March 2028

Board of Directors

Dr Richard Goodfellow was appointed Joint Chief Executive Officer on 30th June 2011 as the Board recognised that Dr Goodfellow's position had evolved into a separate leadership role from that held by Professor Lindy Durrant, including management of Scancell's commercial activities, investor and City liaison.

On 18th August 2011, Scancell announced the appointment of Kate Cornish-Bowden as a non-executive director. Kate is a Chartered Financial Analyst and has extensive experience of corporate governance as an institutional investor. She is currently a non-executive director of Investec Structured Products Calculus VCT plc. I am confident that she will make an invaluable contribution to the Scancell Board going forward.

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Arana Therapeutics

On 1 December 2006, Scancell sold its portfolio of antibodies to Arana Therapeutics (then known as Peptech (UK) Limited and subsequently acquired by Cephalon, Inc, which itself is now owned by Teva Pharmaceutical Industries Limited). The consideration for the sale was a cash payment of £2 million, which was paid on completion of the sale, plus a possible further sum of £2.85 million gross which was payable when a milestone was achieved relating to the development of a drug derived from any of the antibodies which were the subject of the sale.

On 16th November 2011, Scancell received payment of the further payment of £2.85 million from Cephalon Inc which, after the payment of bonuses and advisor costs, netted to £2.41 million before any charge for corporation tax that may arise.

Outlook

The broad utility and potential of the ImmunoBody platform continues to be supported by new research. This was exemplified in June 2011 by the discovery of a new candidate vaccine (SCIB2) which has potential for the treatment of lung and other epithelial cancers. The Board is confident that the research undertaken by Professor Durrant and her team will lead to the discovery of further vaccine candidates for other indications over the next 2 years. Such discoveries will provide further confirmation that the ImmunoBody platform can deliver multiple product candidates and underpin the value of the business as a product plus platform proposition.

Whilst the recruitment of patients for the SCIB1 phase clinical trial has been somewhat slower than originally anticipated, the Directors believe that recruitment for the Phase 1 trial will be completed during Q1 2012. Phase 2, which is expected to commence in H1 2012, should be completed during 2013. The Directors believe that a successful outcome should present Scancell as an excellent potential acquisition opportunity for a larger biotechnology or pharmaceutical company operating in the oncology field.

The clinical milestone that triggered the payment of £2.85 million gross from Cephalon Inc (Teva Pharmaceutical Industries Limited) provides further evidence to support the commercial viability of Scancell's research. Moreover the Directors believe that this money, together with other existing funds will be sufficient to complete the SCIB1 Phase I and Phase II clinical trials without the need to raise further funds from Shareholders.

The Board is pleased with the Company's progress over the period, and would like to thank all those involved with Scancell for their dedication and support.

David Evans
Chairman

Scancell Holdings plc
Unaudited Consolidated Income Statement
for the six months to 31st October 2011

	Unaudited six months 31/10/2011 £	Unaudited six months 31/10/2010 £	Audited Year to 30/04/2011 £
REVENUE	-	-	-
Cost of sales	526,077	377,655	848,629
GROSS LOSS	(526,077)	(377,655)	(848,629)
Administrative Expenses	445,598	457,885	885,120
OPERATING LOSS	(971,675)	(835,540)	(1,733,749)
Interest receivable and similar income	6,240	620	9,613
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(965,435)	(834,920)	(1,724,136)
Tax on loss on ordinary activities	(42,030)	(32,750)	(74,911)
LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	(923,405)	(802,170)	(1,649,225)
BASIC EARNINGS PER SHARE (pence)(Note 2)	(0.9)	(5.0)	(10.4)

Scancell Holdings plc
Unaudited Consolidated interim statement of financial position
as at 31st October 2011

	Unaudited	Unaudited	Audited
	31/10/2011	31/10/2010	30/04/2011
	£	£	£
ASSETS			
Non-current assets			
Plant and equipment	109,157	119,231	98,933
Goodwill	3,415,120	3,415,120	3,415,120
	3,524,277	3,534,351	3,514,053
Current assets			
Trade and other receivables	144,024	121,495	58,626
Income tax assets	116,250	97,567	74,220
Cash and cash equivalents	1,915,276	1,740,925	1,110,630
	2,175,550	1,959,987	1,243,476
TOTAL ASSETS	5,699,827	5,494,338	4,757,529
LIABILITIES			
Current liabilities			
Trade and other payables	304,378	171,368	121,787
NET CURRENT ASSETS	1,871,172	1,788,619	1,121,689
NET ASSETS	5,395,449	5,322,970	4,635,742
TOTAL EQUITY			
Called up share capital	194,093	159,266	159,518
Share premium account	9,911,110	8,345,275	8,369,023
Retained earnings	(4,709,754)	(3,181,571)	(3,892,799)
Attributable to equity holders of the parent	5,395,449	5,322,970	4,635,742

Scancell Holdings plc
Unaudited consolidated interim cash flow statement
for the six month period to
31st October 2011

	Unaudited 6 months 31/10/2011 £	Unaudited 6 months 31/10/2010 £	Audited Year 30/04/2011 £
Loss from operations	(971,675)	(835,540)	(1,733,749)
Adjustments for:			
Depreciation and amortisation	12,366	16,236	33,250
Share based payment expense	106,450	53,263	189,090
Operating cashflows before movements in working capital	(852,859)	(766,041)	(1,511,409)
Movement in receivables	(85,398)	(63,676)	(812)
Movement in payables	182,591	(280,419)	(330,000)
Net cash outflow from operations	(755,666)	(1,110,136)	(1,842,221)
Income taxes (paid)/ received	-	-	65,510
Net cash used by operating activities	(755,666)	(1,110,136)	(1,776,711)
Investing activities			
Purchases of plant and equipment	(22,590)	(3,704)	(417)
Interest received	6,240	620	9,613
Net cash used by investing activities	(16,350)	(3,084)	9,196
Financing activities			
Proceeds from issue of shares for cash	1,576,662	24,000	48,000
Net cash from financing activities	1,576,662	24,000	48,000
Net increase/(decrease) in cash and cash equivalents	804,646	(1,089,220)	(1,719,515)
Cash and cash equivalents at beginning of period	1,110,630	2,830,145	2,830,145
Cash and cash equivalents at end of period	1,915,276	1,740,925	1,110,630

Scancell Holdings plc
Unaudited consolidated interim statement of changes in equity

	Share Capital £	Share Premium Account £	Retained Earnings £	Total £
At 1st May 2011	159,518	8,369,023	(3,892,799)	4,635,742
Loss for the period	-	-	(923,405)	(923,405)
Share issue	34,575	1,694,195	-	1,728,770
Share issue costs	-	(152,108)	-	(152,108)
Share based payments	-	-	106,450	106,450
At 31st October 2011	194,093	9,911,110	(4,709,754)	5,395,449
At 1st May 2010	158,733	8,321,808	(2,432,664)	6,047,877
Loss for the period	-	-	(802,170)	(802,170)
Share issue	533	23,467	-	24,000
Share based payments	-	-	53,263	53,263
At 31st October 2010	159,266	8,345,275	(3,181,571)	5,322,970
At 1st May 2010	158,733	8,321,808	(2,432,664)	6,047,877
Loss for the year	-	-	(1,649,225)	(1,649,225)
Share issue	785	47,215	-	48,000
Share based payments	-	-	189,090	189,090
At 30th April 2011	159,518	8,369,023	(3,892,799)	4,635,742

Scancell Holdings plc
Notes to the Interim Financial Statements
for the period to 31st October 2011

1 Basis of preparation

This interim statement for the six month period to 31st October 2011 is unaudited and was approved by the Directors on 30th January 2012. The financial information contained in the interim report has been prepared in accordance with the accounting policies set out in the annual report and accounts for the year ended 30th April 2011.

The financial information contained in the interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the full preceding year is based on the statutory accounts for the year ended 30th April 2011, upon which the auditors, Champion Accountants LLP, issued an unqualified audit opinion which did not contain any statement under section 498(2) or 498(3) of the Companies Act 2006. Without qualifying that opinion, the auditors drew attention to the fact that the Company's plan to raise additional funds by the placing of shares was subject to shareholder approval. The audited statutory accounts for the year ended 30 April 2011 have been lodged with the Registrar of Companies.

As permitted, this interim report has been prepared in accordance with AIM Rule 18 and not in accordance with IAS 34 "Interim Financial Reporting" therefore it is not fully in compliance with IFRS as adopted by the European Union.

2 Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

The calculations of earnings per share are based on the following losses and numbers of shares.

	6 months to 31/10/2011	6 months to 31/10/2010	Year ended 30/04/2011
Loss after taxation	(923,405)	(802,170)	(1,649,225)
Weighted average number of shares	101,921,210	15,898,458	15,932,565
Basic earnings per share	(0.9)p	(5.0)p	(10.4)p

On 25th July 2011, the Company passed resolutions to subdivide the existing ordinary shares of 1p each into 10 new ordinary shares of 0.1p each and issue a further 34,575,410 shares to be placed at a price of 5p per share.

At 31st October 2011 the Company had 194,093,310 Ordinary Shares of 0.1p in issue.

3 Taxation

Taxation for the six months ended 31st October 2011 is based on the effective rates of taxation which are estimated to apply for the year ended 30th April 2012.

4 Subsequent events

On 16th November 2011 the company received £2.85m (before any related tax or other costs are deducted) in respect of the second tranche payment from the sale of Scancell's antibody portfolio to Arana Therapeutics in 2006.

On 13 December 2011 the company issued 376,175 new ordinary shares of 0.1 pence each at 6.38 pence per share in respect of annual advisory fees.

5 Interim results

These results were approved by the Board of Directors on Monday 30th January 2012. Copies of the interim report are available to the public from the Group's registered office and the Group's website, www.scancell.co.uk.